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SUBJECT: TUNISIA: ECONOMIC HIGHLIGHTS

Summary

[¶1.](#) (U) This cable contains highlights of recent economic developments in Tunisia on the following topics:

- [¶A.](#) FDI in Tunisia Up 51.1 Percent in 2008
- [¶B.](#) Industry Exports Down
- [¶C.](#) GOT To Boost Maritime and Air Transport
- [¶D.](#) Tunisia and Jordan Sign 16 Cooperation Agreements
- [¶E.](#) Two Tunisian Companies Sentenced for Counterfeiting

FDI in Tunisia Up 51.1 Percent in 2008

[¶2.](#) (U) Foreign investments totaled about TND 3.3 billion (\$2.7 billion) in 2008 according to the Tunisian Foreign Investment Promotion Agency (FIPA). This figure represents an increase of 51.1 percent over 2007 levels of TND 2.1 billion (\$1.6 billion). Foreign investment in the energy sector reached TND 1.629 billion (\$1.33 billion), with an increase of 19.9 percent from the previous year's TND 1.359 billion (\$1.07 billion). Service sector investments came to TND 646.7 million (\$530.29 million), up from TND 146.4 million (\$115.66 million) in 2007. New foreign investments in agriculture reached TND 17.7 million (\$14.51 million) in 2008, up from TND 7.7 million (\$6.08 million) the previous year.

Industry Exports Down

[¶3.](#) (U) On February 4, Minister of Industry Afif Chelbi acknowledged that Tunisian industrial exports are beginning to be affected by the international economic crisis. Speaking before an elite group of Tunisian graduates of the top universities in France, he said that January figures show that exports are down for the third consecutive month. He added that January's exports suffered an 8 percent decrease compared with the same month in 2008.

[¶4.](#) (U) Meanwhile, the state budget forecast a growth rate of only 8 percent in Tunisia's global exports, down from the 20.7 percent recorded in 2008.

GOT To Boost Maritime and Air Transport

¶5. (U) On January 28 President Ben Ali chaired a cabinet meeting that announced a number of decisions aimed at developing Tunisia's maritime and air transport sectors:

-- Liberalization of air links with Arab, European and American countries.

-- Upgrading of ports infrastructure.

-- The opening of all domestic airports to all Tunisian air carrier companies, whether public or private.

-- Development and implementation of training programs for pilots, aircraft technicians and maritime professionals. For this purpose, the Borj El Amri aviation school will be adapted to host pilot training. Starting in October 2009, the naval academy will host a merchant marine training institute.

-- A five-year tax exemption on profits for the majority state-owned Tunisair, which is in the midst of a fleet renewal program.

-- The targeting of an increase in the national sea fleet's share of transportation of goods from its current 9 percent to 20 percent by ¶2016.

-- A five-year tax exemption on profits for private shipping companies, in addition to a 50 percent decrease in port taxes.

Tunisia and Jordan Sign 16 Cooperation Agreements

¶6. (U) Jordanian and Tunisian officials signed 16 cooperation agreements and memoranda of understating (MOUs) on February 6, following two days of meetings of the 7th Joint Jordanian Tunisian Higher Committee. Agreements included cooperation in the fields of industry, reciprocal recognition in academic qualifications and maritime certificates as well as certification of conformity for products.

¶7. (U) The MOUs were in the fields of scientific and technical cooperation related to agriculture, in addition to cooperation programs in higher education and scientific research. Competitiveness, customs and labor agreements were also signed, in addition to an MOU between Jordan TV and its Tunisian counterpart, as well as a partnership agreement between the Jordanian Judicial Institute and Tunisian Higher Judiciary Institute. Prime Minister Mohammad Ghanouchi and his Jordanian counterpart, Nader Dahabi, co-chaired the meetings.

¶8. (U) Note: Tunisia and Jordan are founding members of the Agadir Free Trade Agreement, signed on May 8, 2001. The level of trade exchange between the two countries increased from TND 28 million (US \$22.96 million) in 2007 to TND 46 million (US \$37.72 million) in ¶2008.

Two Tunisian Companies Sentenced for Counterfeiting

¶9. (U) The Tunis Court of First Instance sentenced two Tunisian companies, SOFICO and TUMAR, for marketing counterfeited products of the French company SEB's trademark "Moulinex." According to the online business publication Webmanagercenter, the court levied the following damages: SOFICO must pay a fine of TND 1,000 (US \$820) and TND 1,086 dinars (US \$890.52) in damages, as well as TND 100 (US \$82) per day until the fines have been paid. TUMAR was ordered to pay a fine of TND 3,000 (US \$2,460), TND 742.500 (US \$608.85) in legal fees, and TND 50 (US \$41) per day, until the fines have been paid.

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